

John S.

9 February 1957

Subject: Delayed Liquidation of Progress Payment against Invoices
Nos. PE 15109 and PE 15110 dated 8 February 1957

Reference: Contract BC-200

Gentlemen:

In accordance with our telephone conversation of 25 January 1957 we wish to advise you that effective 31 January 1957 we have liquidated against deliveries of contract items the total advance payment of \$250,000 which was made to us in accordance with our request by letter dated 10 July 1956. In view of the fact that there remains over half of the items to be delivered against this contract in the approximate amount of \$1,380,000 we still have the financial problem which led to the granting of the advance. In as much as it is undesirable to assign this contract to our bank for security reasons we, therefore, request that the subject invoices be paid without liquidation of progress payments previously made on this contract.

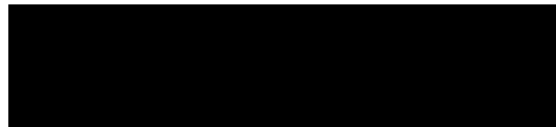
It will be our plan to liquidate progress payments on or before unliquidated progress payments reach the contractual limit of 80% of the remaining total contract price of the supplies to be delivered. It will also be our plan to liquidate progress payments against all subsequent delivery invoices as they are submitted.

We would appreciate your assistance in this matter which will provide us with the approximate equivalent of our normal bank financial practice of assigning our receivables.

Very truly yours,

HYCON MFG. COMPANY

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Executive Vice President

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